PMD Recommendation to the CIO
for
Major Project Development Approval

Agency: Department of Transportation (VDOT)

Project Title: Electronic Toll Customer Service and Violation Enforcement System (ETCS-VES)

Planned Start Date: December, 2005 **Planned Completion Date:** March, 2007

Estimated Total Project Cost: $12.1 million **Estimated Operations Cost (2 years):** $25 million

Project Purpose: The Integrated Statewide Electronic Toll Customer Service and Violation Enforcement System project involves the design and procurement of hardware, software and operational staffing to provide services for processing electronic tolls, managing customer accounts, and collecting tolls and fees from users who try to avoid toll payments on the toll facilities. The system will replace the current service center system to provide enhanced capabilities and provide new violation enforcement functions through fully integrated management of electronic tolls and violations. This will ensure a maximum level of customer service to Virginia's electronic toll collection customers while providing the most cost-effective collection of violation revenue from non-payers. The system will accept toll transaction and violation image transaction information from the toll facilities, process this information against electronic toll customer accounts and maintain an auditable balance status for these accounts. Images of violators that do not have accounts will be used to retrieve vehicle owner information from a relevant Department of Motor Vehicles agency in order to implement an escalating collection process supported by the system.

Enterprise Architecture Implications: It is anticipated that the system to be procured will be a customized configuration of existing software. The chosen vendor will be required to comply with Commonwealth Enterprise Architecture Standards where these do not conflict with the ability to utilize existing, transportation industry accepted, off-the-shelf software packages.

Expected Project Results:

- Design and procurement of a central system housing the account and violation databases application processing, reporting, Internet Web site, and automated telephone capabilities
- Installation of camera, image capture, and communication equipment in the toll lanes and at the toll facility host locations
- Implementation of a wide area communications network to support transfer of files and transactions necessary to support electronic toll collection and violation enforcement
- Deployment of a geographically separate disaster recovery system that can take over the functions described above and is synchronized with the primary system
- Provision of complete operations services to run the system
- Design and implementation of an upgraded Smart Tag customer service center

Revenue: The Net Present Value (NPV) of the 5 year cash benefits anticipated from additional income, including additional toll revenues and administrative fees is $43.3 million.

Cost Savings: The NPV of the 5 year cost savings including facility personnel reductions and savings associated with reduced equipment maintenance and replacement is $1.3 million.

Return on Investment (ROI): The 5 year ROI is 40%.

Intangible Benefits:

- Ability to collect tolls to service bonds and help maintain VDOT's bond rating
- Ability to support toll funded public-private partnerships

- Improved customer service though Customer Service Center enhancements

Anticipated Performance Measures:

- Manage the Electronic Toll Customer Service center is accordance with the Call Center, Web, and Customer Service performance criteria stated in the contract
- 100% of the Electronic Toll Customer transactions from a toll facility will be processed for posting within four hours of receipt.
- 90% of violation images will be processed within two business days of receipt from the toll facility.
- The average host computer system availability will be 99.95%

Preliminary Risk Analysis: The Preliminary Risk model evaluates the project as Low Risk.

Balanced Scorecard Evaluation Summary:

Criteria	Summary	Score
Stakeholder Perspective	Stakeholders include VDOT and citizens using Virginia toll roads. Stakeholders will directly benefit from the project's outcomes through improved traffic throughput at toll plazas, enhanced customer service, reduction in operating costs, and increased revenues.	**Green**
Business Process Perspective	The project improves the agency's collection of toll violations and reduces operating costs. Proposed investment will result in additional revenue of approximately $ 9 million annually.	**Green**
Project Management Perspective	The proposed investment represents a sound business case for increasing collection of toll violations while reducing operating costs. The scope, cost and schedule baselines are clearly stated. A qualified Project Manager has been identified. Sponsorship and funding are identified.	**Green**
Financial and Economic Perspective	The estimated return on investment for five years is 40%. The Net Present Value of estimated cost savings and avoidance for five years is approximately $44.6 million.	**Green**
Enterprise Portfolio Perspective	The project fits well within the enterprise portfolio of projects, as it increases the efficiency of toll violation processes and enables customers to manage their toll and violation transactions. The proposed investment improves the balance of aggregated risk in the Commonwealth portfolio.	**Green**

Technology Oversight Committee Recommendation: The Transportation Secretariat Oversight Committee reviewed and recommended the project for Development Approval.

PMD Recommendation: That the CIO grant Development Approval for the Electronic Toll Customer Service and Violation Enforcement System Project.

CHIEF INFORMATION OFFICER ACTION

X Approved - Post for ITIB Review

____ Approved - Post for ITIB Review as Modified

____ Denied

12/6/05

Signature *Date*